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Tarrant County Texas

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XTO REV PROD 88 (7-69) PAID UP (04/17/07)B

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 18th day of February, 2010, between Wesley Anderson, Lessor (whether one or more), whose address is: 10825 Range View Dr. Austin, Tx 78730-1494, and XTO Energy Inc., whose address is: 810 Houston St., Fort Worth, Texas 76102, Lessee WITNESSETH:

6.779 acres of land, more or less, William Jackson, Abstract 857, consisting of the following 4 (Four) tracts:

<u>First Tract:</u> 0.97 acres of land, more or less, in the William Jackson Survey, Abstract 857, Tarrant County, Texas, being the same land described in that deed dated May 11, 1976, from Augusta J. Trammell, as Grantor to Manning L. Trammell, as Grantee recorded in Volume 6015, Page 333, Official Records, Tarrant County, Texas

Less and Except: 0.071 acres of land, more or less, described in that deed dated May 9, 2002, from Leigh Trammell Brinson, Shirlie Jane Anderson, Manning L. Trammell, as Grantor to Trinity Gardens, L.P., as Grantee recorded in instrument D202163096, Official Records, Tarrant County, Texas.

Second Tract: 2.66 acres of land, more or less, in the William Jackson Survey, Abstract 857, Tarrant County, Texas, being the same land described in that deed dated July 21, 1971, from Augusta J. Trammell, as Grantor to Herman Robert Price, as Grantee recorded in Volume 5079, Page 925, Official Records, Tarrant County, Texas

Less and Except: 0.337 acres of land, more or less, in the William Jackson Survey, Abstract 857, Tarrant County, Texas, being the same land described in that deed dated May 2, 2002, from Trinity Gardens, L.P. as Grantor to Leigh Trammell Brinson, Shirlie Jane Anderson, Manning L. Trammell as Grantee recorded in Volume 15747, Page 605, Official Records, Tarrant County, Texas, and also being further described in that certain deed dated January 30, 2003, from Leigh T. Brinson as Grantor to Manning L. Trammell, as Grantee recorded in Volume 16726, Page 155, Official Records, Tarrant County, Texas.

<u>Third Tract:</u> 3.22 acres of land, more or less, in the William Jackson Survey, Abstract 857, Tarrant County, Texas, being the same land described in that deed dated July 21, 1971, from Augusta J. Trammell, as Grantor to Harold L. Schweiss and Bobby G. Joyce, as Grantee recorded in Volume 5079, Page 921, Official Records, Tarrant County, Texas.

Fourth Tract: 0.337 acres of land, more or less, in the William Jackson Survey, Abstract 857, Tarrant County, Texas, being the same land described in that deed dated May 2, 2002, from Trinity Gardens, L.P., as Grantor to Leigh Trammell Brinson, Shirlie Jane Anderson, Manning L. Trammell as Grantee, recorded in Volume 15747, Page 605, Official Records, Tarrant County, Texas, and also being further described in that certain deed dated January 30, 2003 from Leigh T. Brinson as Grantor to Manning L. Trammell, as Grantee recorded in Volume 16726, Page 155, Official Records, Tarrant County, Texas.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 6.779 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

- 2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
- conducted upon said land with no cessation for more than ninety (90) consecutive days.

 3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 25% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such 25% part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 25% of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, 25% of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the well or mare at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producting oil or gas, and all such wells are shuf-in, into lease shall, nevertheless, continued in force as if no shuf-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce of unitize of market the minerals capable of being produced from said

- 4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres plus 10% careage to letrance; provided, however, units may be entablished as to any one or more horizons, or existing units may be entaged as to any one or more horizons, so as to contain not more than 840 surface acres plus 10% acreage tolerance, if limited to one or more of the following: 10 gas, other than casinghead gas, (2) liquid hydrorachoras (condensate) which are not liquids in the subsurface neseroric, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are permitted or required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining meximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size permitted or required by such governmental order or rule. Lesses said petron as to each destread unit by executing an instrument identifying such unit and filing it for record in the public office in which this lesse is recorded. Such unit shall become effective as of the date provided for in said instrument or instruments but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed of record. Each of said options may be exercised by Lessee at any time and from time to time while this lease. It is not expert to the said of the control of said the control of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be v
 - Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
 - 6. Whenever used in this lease the word "operations" shall mean operations for any of the following: preparing the drillsite location or access road, drilling, testing, completing, recompleting, deepening, sidetracking, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
 - 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
 - 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such courf records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
 - 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained and shall not be required to move or remove any existing surface facilities necessary or convenient for current operations.
 - 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
 - 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
 - 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.
 - 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
 - 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, reworking or other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such operations conducted at a surface location off of said land or off of lands with which said land are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.

15. It is hereby agreed and understood that there shall be no drilling activities on the surface of the leased premises without the prior written permission from the surface owner of the applicable portion of the leased premises. Notwithstanding the foregoing, this waiver of surface shall not be construed as a waiver of the rights of Lessee to utilize the subsurface of the leased premises under this lease, and Lessee shall have the right to exploit, explore for, develop and produce oil, gas and other covered minerals under this lease from wells from surface locations off the leased premises, including, but not limited to, directional or horizontal drilling activity which comes under the surface of the leased premises. This drilling surface waiver does not apply to any surface rights associated with instruments other than this lease.

IN WITNESS WHEREOF, this instrument is effective as of the date	first above written.	
Merly Ander		
		
STATE OF TEXAS § \$ ss. COUNTY OF TRAVIS §	(ACKNOWLEDGMENT FOR INDIVIDUAL)	
This instrument was acknowledged before me on the 10th of Wesley R. Anderson	day of <u>Apr. 1</u> , 20 <u>10</u> by	
Westey F. Maderson		
	Signature Notary Public	
My commission expires IIIIII 22-14	Printed Macforland	
Seal: Wy commission expires 11111 22 - 14 Seal: Seal:		
STATE OF	(ACKNOWLEDGMENT FOR CORPORATION	N)
COUNTY OF		
This instrument was acknowledged before me on the	eday of, 20, by	corporation,
on behalf of said corporation.		<u> </u>
	Signature	Notary Public
	Printed	
My commission expires:		

Seal: